

**Energy Efficiency and Sustainable Energy Board  
ENERGY EFFICIENCY RESOURCE STANDARD (EERS) COMMITTEE**

**Minutes of the January 06, 2019 Meeting  
Hearing Room A, Public Utilities Commission, Concord, NH**

**Committee Members Present:** Eric Stanley (Liberty Utilities), Cindy Carroll (Unitil), Don Kreis (Office of the Consumer Advocate), Madeleine Mineau (Clean Energy NH), Kate Peters (Eversource), Raymond Burke (NHLA) on phone, Ryan Clouthier (Southern New Hampshire Services), Tonia Chase (BIA) on phone, Matt Siska (GDS Associates), Carol Woods (NH Electric Cooperative) on phone, Becky Ohler (Department of Environmental Services, ex officio as EESE Board Chair); Jeff Marks (Acadia Center) on phone; David Borden (New Castle Energy Committee).

**Others present:** Liz Nixon on phone, Paul Dexter, Jacqueline Trottier, Brian Buckley, Jay Dudley, Stephen Eckberg (all from the Public Utilities Commission Staff), Christa Shute (Office of the Consumer Advocate), Emily Levin / Christine Donovan (VEIC, consultant to EERS Committee); Mary Downes (Unitil); Miles Ingram and Mark Lemenager (Eversource on phone), Tom Fuller and James Butler (Eversource).

- 1) In his capacity as chair of the committee, Don Kreis called the meeting to order at 1:01 p.m.
- 2) Approval of December 16, 2019 Minutes on the motion of Ryan Clouthier, the second of Cindy Carrol, no discussion and a unanimous vote with no abstentions.
- 3) Update: stakeholder engagement process and discussion of June meeting dates
  - Changes to slide deck include date changes and the idea that the EERS Committee facilitates rather than oversees the plan development process.

**After Discussion the Stakeholder Comment dates are now as follows:**

- 4/6 Outside Stakeholders provide verbal Public Comment on April 1<sup>st</sup> Plan
  - 4/13 Outside Stakeholders provide written Public Comment on April 1<sup>st</sup> Plan
  - 6/5 Public Utility Presentation and Outside Stakeholder Public Comment on June 1<sup>st</sup> Plan
  - 6/8 Outside Stakeholders provide written comments on June 1<sup>st</sup> Plan
  - 6/12 EERS committee discussion of what to present to the EESE Board on June 19<sup>th</sup>.
- 4) Presentation and discussion: revised guiding principles for EERS plan development
    - This portion of the agenda is a review of the outcomes from the last meeting and the revisions to the slide deck.
    - Brian Buckley provided an update on [an order](#) pertaining to the recommendations of the Benefit Cost Working Group issued on December 30, 2019. The order approved the recommendations of the Granite State Test – which is like the utility test plus low income and alternate fuel savings. The order also recommended and approved secondary tests. The order included some discussion regarding the potential for a pilot regarding energy optimization with an emphasis on load factor opportunities. So it is possible for electricity consumption to increase, but at the right places and time. Section D of the order quotes the B/C Working Group Report definition of energy optimization as “a strategy to minimize energy use and maximize customer benefits... [that] considers

efficiency and the mix of fuels used.” The order comments that this “distinguishes energy optimization from fuel switching, energy efficiency, and beneficial electrification.” The key is that generally talking about fuel switching and beneficial electrification with an eye to the best fuel mix.

- Additional research is being done on cost-effectiveness screening recommendations that the EM&V working group will look at and provide comments to the EERS committee. On the issue of avoided cost the AESC study (avoided energy supply components) results are available during the middle of the triennium period. VEIC will be gathering info on planning and evaluation practices in other northeast states that face a similar challenge.
- Collaborating with the consultants supporting MA, CT, and RI. There seems to be high level of agreement of reducing burden of annual plan while also allowing for midterm modifications.
  - Mary at Unitil clarified for folks that the avoided cost study really looks at benefits – that it won’t change the goals or the costs. It could result on having to drop certain measures but won’t have a bigger picture impact.
- Discussion of Revised Straw Proposal by number (slides 9-11)
  1. Emphasize that this is a minimum – perhaps by underlining “at least”. Discussion regarding whether the baseline should be 2018 data. Utility asked VEIC to look at what other states are doing regarding using actual sales data vs forecasted data. Concerns expressed about the accuracy of forecasts.
  2. No discussion on phasing in budget increases.
  3. No discussion on low-income spending remaining at or above current levels.
  4. On gas higher rate to residential – recovering the higher amount of funding from the same sector. But still a question as to what is the best way. Bullet doesn’t need to change if the process is staying the same. But there has been some discussion of whether the way it works will change and if so that would need to get reflected here.
  5. No discussion on residential fuel-neutral electric programs continuing or expanding.
  6. No discussion on utilities looking for opportunities to make data sharing easier.
  7. This one was not discussed at the last meeting. It would be good to have public input on these cross-cutting issues.
    - *Inclusion of new funding and financing options.* Kate of Eversource indicated that the working group developed a lot and it may not be that they need new options but they refine and enhance what does exist.
    - *Expanding and supporting a qualified workforce.*
    - *Proactive customer engagement and marketing*
    - *Robust low-income programs that meet the need*
    - *Incorporation of emerging technologies and program approaches (smart devices, behavior, etc.)*

See notes following the Public Comments for additional discussion of these cross-cutting issues.

#### 5) Public comment on 2021-2023 EERS Plan (2:00-3:00 pm)

Don provided an overview of the EERS and EESE Board and EERS Planning Process to the public and then invited comments. A document with all of the comments and discussion is attached. Any written comments received by January 12, 2020 will be appended to that document.

6) Debrief on the public session

- The comments will be reflected in the minutes and will be useful during the utility and VEIC in-depth planning sessions. Written comments will be compiled and shared on the website in one document.
- The utilities identified there were some statements or issues raised for which there are answers or explanations and it would be helpful to have the record reflect things that are going to be changed.
- Don Kreis indicated he was happy to have utilities provide responses that can be incorporated.
- Ray asked that once they have the summaries of the written comments there should be some work to see where they fit into the longer term and shorter term discussion. Understanding that they will also be revisited in the smaller utility meetings.
- Madeleine identified that there is a fine line between what is relevant to EERS from a planning perspective versus what is an implementation detail.
- Christine commented that if she was a utility – she would create an internal cheat sheet and bin the comments into what was actionable as part of this process, what is beyond the control of the utilities and which items are on the fence. Then work to map which issues have staying power and really keep in their heads in an attempt to develop momentum around those issues.
- Emily asked that everyone on the committee commit to reading the written comments and committed to creating a check list around themes such as workforce and rebate continuity.

7) Continuation of discussion of Guiding Principle number 7: cross cutting issues.

- There are items to add to this list based on the public comments:
  - Continuity, predictability, knowing budget information in advance.
  - Ensuring/creating consistency across utilities. Utilities commented that is fine as long as doesn't preclude ability of 1 or 2 of the companies to conduct pilots which is also something valued as protecting ratepayers.
- Dave Borden commented that we heard eloquent comments from vendors that are half way to the customer - hoping that we can continuously understand better what the customer is getting. Some of them mention things that are driven by customer complaints - getting customer feedback of the end user. For example the endless complexity of how to deal with weatherization in multi-unit buildings or rental buildings was something someone complained about during the break.
- Mary responded that the EM&V group is overseeing an evaluation of HPwES with the purpose to gain purpose to gain insight into the customer experience and incorporate into program design. These public comments from contractors will get incorporated into that report.
- Tonia asked if VEIC was aware of states that allocate a certain quantity of a product measure to contractors so they can get better bulk pricing on equipment. Emily indicated she was not aware of that. Eric commented that they do assign a certain budget to the low-income CAPs or sometimes to small business. There could be opportunities to do more of that in the future.

## 8) Presentation and discussion: planning scenarios

- The result of the quadrant test at the previous meeting was a spread across all three categories (but not staying with the status quo). To dial in to a direction we need more information to work with. So the utilities are pulling together high level planning scenarios to help demonstrate the impact on things like budgets and savings levels. The goal is to start leaning in a direction based on some additional data.
- Kate described what they see as next steps and asked for feedback. Suggesting two scenarios for which they look at cost implications. Also looking at the implications of the reduced lighting opportunities in the market place as it is not insignificant.
- Tonia commented that we already know that doing just as much will cost more.
- Scenario One:
  - Budget increases have been about 35% per year. So how much can be accomplished if we continue to increase the budget by 35% per year. What would the result in kWh and existing fuel neutral MMBTU to level set what might be an appropriate savings target.
  - On gas side use the same methodology. Still similar challenge of increasing cost per MMBTU because certain measures now have less savings per dollar.
- Scenario Two:
  - Would keep the same budget increase but allocate 2% to 4% of that year to demand reduction programs. That is about the ratio in Massachusetts. How would this lower kWh savings? How would it increase kW savings?
  - Assume that new pilots would be a bucket on top of that.
- Discussion around energy optimization and MMBTU savings and how to incorporate it into scenario planning. At this point it is not being incorporated because the utilities felt like it was too early based on the order. There was some pushback that there was some interest, particularly in exploring a number of questions as part of a pilot. And a desire to build is some kind of reasonable allocation to help understand the impact of the pilots on the budget.
- Don Kreis proposed a third ultra-ambitious scenario with an understanding that it may be sobering. The proposal is to do a scenario where the program is aggressive as it has been in Massachusetts. The utilities assented to presentation of the third scenario.
- There is an industry perspective from Navigant research that folks don't need an incentive to move from oil to natural gas because the pricing in the market provides that.
- Utilities are not sure how to consider geo targeting and asked for additional feedback. Is it spending more marketing in specific areas or increasing incentives in specific areas. Question posed as to whether the utilities even know their transmission or distribution constrained areas. Kate said she didn't know and would talk to engineering.
- Brian responded that there is a lot of data regarding constraints in the two ongoing LCIRP dockets with a third docket on its way. There is also a locational value study underway that should provide results within six months. Phase 2 of the study would give us the constrained distribution that could be incorporated into the planning process. Didn't want to comment on higher rebates or incentives but think that where there is a higher avoided cost to defer or alleviate that it may warrant a higher rebate or incentive but reserving comment.

- Statute says that energy efficiency, conservation, and demand related measures can be funded through either SBC or distribution rates if they are meant to reduce transmission and distribution costs.
- It was suggested by the utilities that perhaps there be a limit on the SBC funds used such as 10%. Brian indicated that there wouldn't be the same limit on distribution funds.
- Question: Do the following topics require near-term consideration by the EERS Committee?
  - Program administration model: utility vs. third-party
  - LRAM and decoupling
  - Appropriate level of administrative spending on EE programs
- Don Kreis – the first two are important. Though the second one could be framed as lost revenue recovery.
- Paul Dexter – trying to gauge whether the level of spending on administrative costs is comparable to other states. Doesn't need to be prioritized at next meeting. Emily indicated difficult to compare because everyone defines it differently. Do want to make sure it is explicitly defined in the next plan.

9) The meeting was adjourned at 4:00.